**Overview of the American Recovery
and Reinvestment Act (ARRA) of 2009 –
Health Information Technology for
Economic and Clinical Health
(HITECH) Act**

**State Considerations and Approach
for Submission of an
HIT/HIE Grant Application**

Ronald J. Levy
Director, Missouri Department of Social Services

**Overview:
ARRA and HITECH Act Funding**

State Grants ($2.0 billion)	I.	State Grants to Develop and Promote HIT/HIE
	II.	State Loan Programs for Adoption of Electronic Health Record (EHR) Technology
	III.	Additional Grant Opportunities
Provider Payment Incentives ($35.0 billion)	IV.	Medicare and Medicaid Payment Incentives for EHR Technology Adoption
Other HITECH Funding ($5.0 - $10.0 billion)	V.	Community Health Centers, Telehealth and Broadband

3

I. State Grants to Develop and Promote HIT/HIE
($300 million)

- Development of health information exchange state-wide

- Cooperative agreements with ~~Competitive grants to~~ *states or qualified state-designated entities*

- Grant requirements established by Office of National Coordinator (ONC) in HHS

- For planning and/or implementation (an imple-mentation grant requires a *state approved plan* by HHS)

4

II. State Loan Programs for Adoption of Electronic Health Record (EHR) Technology Adoption

- Facilitates widespread adoption of certified EHR technology
- Loans to eligible health care providers:
  - Purchase of EHR technology
  - Improve existing EHR systems
  - Train personnel
  - Improve service exchange of health information
- Market-based loan interest rates
- States must match federal dollars $1 to $5

5

III. Additional Grant Opportunities

- Health IT Regional Extension Centers – Technical assistance for EHR adoption
- Health Resource and Services – Health center HIT acquisition
- Research Demonstration Projects – Integrate HIT into clinical education
- Workforce Training – Higher education medical informatics programs

6

IV. Medicare and Medicaid Payment Incentives for EHR Technology Adoption
($0.5 - $1.0 billion opportunity for Missouri)

- Provider payment incentives to motivate and support EHR acquisition and adoption

- Provider payment incentives predicated on adoption of *certified* EHR systems and meeting statutory requirements for *meaningful use*

7

IV. Medicare and Medicaid Payment Incentives for EHR Technology Adoption
($0.5 - $1.0 billion opportunity for Missouri)

- Payments made to physicians and hospitals (Medicare and Medicaid) for purchase and/or maintenance of EHR (2011-2016)

- Medicaid payment incentive system developed by state in conjunction with CMS . . . minimum thresholds:

  ➢ Physicians (30%)

  ➢ Pediatricians (20%)

  ➢ Hospitals (10%)

8

V. Other HITECH Funding Streams

- Community Health Centers ($1.5 billion) – HRSA grants for construction, equipment and HIT

- Telehealth Grants ($2.5 billion)

- Broadband ($4.3 billion)

9

State Considerations and Approach for Submission of an HIT/HIE Grant Application

- HITECH Act: Vision and Goals

- Office of the National Coordinator (ONC): Goals and Intent

- State: Role and Challenges

HITECH ACT: VISION

- Supports President's agenda for a US health system that is universal, affordable, accessible, safe and transparent

- Health information technology (HIT) and health information exchange (HIE) are the cornerstone and primary tool to drive health care reform

11

HITECH ACT: VISION

- HITECH sets new direction which finances and expands state's role in EHR adoption and HIE development

- Missouri's goal: Implement EHR and HIE which will improve quality and reduce cost of care delivery by 2014

12

ONC: GOALS

- Deployment and adoption of certified EHR which meets meaningful use criteria

- Development of a statewide HIE

- Level playing field for all states

13

ONC: INTENT & EXPECTATIONS

- State/federal partnerships

- Technical assistance and support

- Flexibility in meeting states where they are today

- Develop cooperative agreement with states which achieves:

  ➢ Approved state plan

  ➢ Meeting meaningful use criteria and timelines

  ➢ Access to federal money for EHR deployment

  ➢ Implementation of statewide HIE

14

ONC: GRANT EXPECTATIONS

- Strategic HIT/HIE roadmap

- HIE governance structure and business model

- HIT/HIE support at the highest level of state government

15

ONC: GRANT EXPECTATIONS

- Approved state plan is required for an implementation grant

- Leverage current state assets to advance meaningful use

- ONC grant framework and criteria is imminent . . .

16

STATE: ROLE AND RESPONSIBILITIES

- HIT/HIE planning, deployment and fund management

- Medicaid provider payment incentive program

- HIE governance structure and business model

17

STATE: ROLE AND RESPONSIBILITIES

- Privacy and security policy

- Value added to health care delivery system

- Stakeholder engagement

18

STATE GRANT: CRITICAL ACTIONS

- Appoint statewide advisory council/grant application team

- Environmental scan and asset inventory

- Prepare state agencies for participation

19

STATE GRANT: CRITICAL ACTIONS

- Privacy strategies and reform

- Determine HIE business model and governance structure

- Establish opportunities for health IT, training and education

- Develop communication strategy

20

HIT/HIE DEVELOPMENT: POLITICAL CHALLENGES

- Reaching agreement on a clear vision, direction and plan

- Brokering and supporting existing state assets

- HIE cost and sustainability – Who will pay for it?

- Ultimate accountability and responsibility lies with state leadership

21

MISSOURI MUST CAPITALIZE ON OPPORTUNITIES TO ADVANCE HEALTH IT AND REALIZE POTENTIAL OF HIE . . .

- Support existing public and private sector HIT/HIE assets

- Ensure providers can access EHR incentives

- Connectivity and information exchange must improve health delivery system and outcomes

- Statewide HIT/HIE implementation must be developed in context of health system reform and transformation

22

"Someday, all this will be infrastructure."